

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF Monday, September 28, 2009 MEETING

Board Members Present: John Rupp, Chair; Thomas Deller; Edward Field; William Kennedy; Michael Lewis; Rochelle Lee; Jerome Williams; and Stephen Durkee.

Also Present: Alfred J. Moscola (General Manager); Lori Caron Silveira (Outside General Counsel); Andrew Prescott (Outside Labor Counsel); Henry Kinch; Maureen Neira; Mark Therrien; Ellen Mandly and other members of RIPTA's senior staff and members of the public whose names are listed on the meeting sign-in sheet.

Agenda Item 1: Approval of the Minutes of July 14, 2009, July 29, 2009 and August 25, 2009 Meeting Minutes

Mr. Rupp called the meeting to order and asked if the Board members had an opportunity to review the minutes of the July 14, 2009, July 29, 2009 and August 25, 2009 meeting minutes. The members indicated that they had and Mr. Kennedy made a motion to approve the minutes with one word change on page 4, paragraph 2 of the August minutes as suggested by Mr. Field. Ms. Lee seconded the motion and all three sets of minutes were unanimously approved.

Agenda Item 2: General Manager's Report

Before the General Manager's report Mr. Kennedy asked to speak about the Providence Journal article regarding picketing outside the Veteran's Administration building in Providence and RIPTA drivers not crossing the picket line.

Mr. Kennedy said the picket line was informational and it was his understanding that some bus operators dropped off passengers at the corner rather than crossing the picket line. Mr. Kennedy expressed concern for the safety of the passengers and said the VA should have notified RIPTA of the picketing so service was not interrupted. He said it was an unfortunate situation for all involved.

Mr. Moscola responded that the operators diverted due to unsafe driving conditions in the area, not the picketing. He thanked Mr. Kennedy for his concern and began his general manager's report by asking for a moment of silence for RIPTA employee Steve Robinson who passed away unexpectedly on September 6th at only 59 years of age. After a moment of silence Mr. Moscola said Mr. Robinson worked at RIPTA for 37 years and he was a terrific employee who will be greatly missed.

Next Mr. Moscola introduced Victor Santos the new Assistant General Manager of Human Resources. He said Mr. Santos has more than 20

years experience and he expects him to be a great asset to the Authority.

Mr. Santos was greeted with applause and remarked that it is a pleasure to be at RIPTA and he looks forward to working with the Board, learning about transit and working with the dedicated RIPTA employees. Mr. Santos said it is his goal to help RIPTA become an employer of choice.

Mr. Moscola gave a ferry update and said that ferry service was scheduled to begin on July 3rd but didn't actually begin until August 21st due to approvals and retrofits required by the Coast Guard. He said that once the ferry met with Coast Guard approval it unfortunately only ran for four days before experiencing mechanical difficulties. RIPTA was finally notified on 9/21 that the ferry operator Nextmarine was discontinuing service for the season.

Mr. Moscola said the ferry did not use any RIPTA operating funds and that the infrastructure and dock, which we own, is still in place. He will look for direction from the Board early next season and if the Board wishes he will put out a new RFP earlier next year.

Mr. Rupp noted that the ferry cost \$12,600 a day for four days. He asked if these expenses were paid via CMAC funds and Mr. Moscola said they were. He asked Mr. Moscola to go through the actual expenses on page two. Mr. Moscola noted the cost of the trailer

rental and portable toilets and asked Mr. Kinch to continue.

Mr. Kinch said the vendors gave us credit for the month of October or canceled services saving RIPTA some money. He then listed ferry expenses such as electrical line repairs and electricity. Mr. Field asked about parking and Mr. Kinch responded that parking was put out to bid for “x” amount of parking spaces per month and is based on a dollar amount and additional space is available during the busier months.

Jerry Williams asked if there were any ferry provider performance obligations in the contract. He noted that the service should have begun in July but began in late August and then only made four trips. Mr. Kinch said the only performance requirement in the contract was that if the ferry did not make a successful trip, they would not be paid.

Mr. Williams responded that RIPTA spent money to make the infrastructure available for the ferry provider and if we are expending funds and incurring costs then next year’s contract should include performance guarantees or reimbursement. Mr. Williams commented that to spend \$12,600 and only make four trips is inappropriate.

Ms. Lee commented that this ferry service was offered due to pressure from the legislature. Mr. Deller replied that the larger issue is missing the start dates and the fact that when we went out to bid on the ferry it was because we were not subsidizing the ferry, only supporting its operation with very little money for the whole season.

Mr. Rupp remarked that the RFP process was awkward and gave a brief history of the events leading to the RFP being written with two different pricing criteria. Mr. Kinch said application has been made for a federal ferry subsidy for next year. Mr. Rupp commented that this situation was a legislative issue as the ferry is not a strongly performing asset and he wondered if there was not a better use for the CMAC funds.

Michael Lewis agreed with Mr. Williams point that \$50,000 is too much to spend for four days of service. Mr. Kinch remarked that the ferry operator underestimated the retrofitting of the vessel. He said they believed that this may not have been the right operator or the right vessel, but since there was no operating subsidy involved they decided to take the only bid that was available. Mr. Kinch said the vessels technology is good and discussed the pros and cons, but said the operator underestimated the work he needed to retrofit the vessel.

Mr. Rupp commented that some people did make money off of this failed operation and we need to learn a lesson for next year.

Next Mr. Moscola reported that RIPTA had applied for and won a competitive process for a TIGGER grant for NEG reduction. The grant was switched to apply to lighting for the Chaffee and Elmwood buildings and for energy efficient doors and he said Dick Doyle the

Regional FTA Director called to congratulate and notify him last week that RIPTA was awarded the \$345,000 dollar grant. Mr. Moscola recognized staff's efforts and said Lilly Picchione and Mark Therrien would elaborate during the ARRA report.

Mr. Moscola introduced Mike Burke, the Clerk of the Works to give his bi-monthly report. Mr. Burke reported that as of September 15th the building is 68.66% complete and is on time and within budget. He said that all three roofs will be weather tight within two weeks and the deck portion will be complete by Thanksgiving.

He said there have been 13 change orders to date and of those 47% were related to soil issues. Inside slabs will be done in October when insulation will also begin. He then reported on the lift pits and asked for questions.

Mr. Lewis asked about safety issues and Mr. Burke said there was only one injury requiring 3 stitches. Mr. Williams asked about any major change orders and Mr. Burke said the only major change was to interior painting which was discussed and approved at an earlier Board meeting.

Mr. Burke said that 40% of the contingency funds have been expended with the project almost 70% complete. He noted that permanent power will be installed in about a week and elevator work begins in October.

Mr. Moscola commented that \$1.5 million of the contingency remains and he expects the only remaining change orders will be minor. Mr. Durkee asked if all major contracts had been bought and Mr. Burke said they were. He added that over \$100,000 in change orders by subcontractors were avoided by diligent oversight and he concluded his report.

Mr. Rupp asked a question relating to the ridership being down and Ms. Neira responded that it was due to reporting of UPass by semester. Mr. Lewis asked about ridership figures and Mark Therrien noted that the reporting methodology had changed when the new fareboxes were implemented resulting in a 26% budget to actuals change in FY 09. Mr. Therrien said he could give a presentation at the October meeting explaining the change in methodology and the Board asked that he do so.

Mr. Field reported speaking to Mr. Moscola and Ms. Neira about formatting changes to the financial summary in the General Manager's report to include a synopsis of current impacts and comments and a few other small changes. Staff will continue to work with Mr. Field to implement his suggestions. Mr. Williams suggested changes to page B2 under parts and equipment.

Agenda Item 3: FY 2009 Auditor's Report – Presentation by Braver, PC

Mr. Rupp moved on to item 3 the FY 2009 Auditor's Report. Maureen Neira introduced Deborah Mitchell and Jeffery Grover representatives from Braver PC who addressed the Board with the results of the FY 2009 financial audit. Ms. Mitchell introduced herself as a principle of the firm and said Mr. Grover had handled the field work for the audit.

Ms. Mitchell noted that a draft copy of the financials had been included in the Board package and a draft of the audit report had been submitted to the Auditor General and some comments from the AG had been received back, mostly relating to disclosure items and not changing the numbers. She said that this year the Comptroller's office is working closely with the state agencies to ensure all procedures are met.

Ms. Mitchell reviewed the information in the audit package and gave a summary discussing some issues in detail and said that this year comparatives had been issued. [Steve Farrell interrupted at this point asking for a copy of the auditor's report and was told that the document was still in draft form and could not be disseminated. Mr. Rupp offered to read aloud any section Mr. Farrell had questions on.]

Ms. Mitchell discussed page 9 elaborating on debt service, liabilities and gas tax. The method of listing of these issues was discussed with the comptroller. Ms. Mitchell said this report is an "unqualified

opinion” and they mention in the report the operating assistance RIPTA receives from the State.

She then discussed page 10 dealing with capital contributions and said that a GASB #44 liability of \$4.8 million dollars is built in and discussed where this is noted in the report and said the Auditor General asked that more disclosures be added on this issue. Ms. Mitchell said these were the main changes this year and that Braver would be issuing a 114 letter which is a communication to those charged with governance saying they found no significant issues. She said they would also issue a single audit report and a section 15 report by the end of November.

Lori Silveira noted a discrepancy in the figures on page 21 versus page 12 and Ms. Mitchell took note of the discrepancy. Ms. Neira remarked on some adjustments to the listing of long term debt suggested by the State auditor and also an adjustment to risk management evaluation. She said that we had a new actuary this year that used different assumptions which could not be tied into the previous actuaries' evaluations. After numerous conversations it was marked as an error resulting in a net of \$5 million in adjustments causing the shift to a single year comparative.

Mr. Deller clarified that Ms. Neira was asking for approval of the report subject to changes and said that if there were any substantial changes the Board should be notified. Ms. Mitchell said she did not

expect substantial changes and discussed some possible changes to the numbers on page 9 and explained the change. Mr. Deller asked why they report had to be approved before submittal and Ms. Neria cited past practice.

Mr. Deller suggested that the Board accept it as a draft subject to final acceptance of the Auditor General and that the Board later review the AG's comments. After further discussion Mr. Durkee moved for approval of the draft auditor's report and Mr. Kennedy seconded the motion. The motion passed unanimously.

Following the vote Ms. Neira answered a question from Mr. Williams regarding the amortization of the annual pension on page 24. Mr. Williams said he would like to revisit the issue of the 30-year length of our amortization.

Agenda Item 4: Finance Committee Report

Mr. Field reported that the Finance Committee met on September 18, 2009 and reviewed the FY 2010/2011 operating budgets. He said the FY 2010 report was in order and the only issue on the FY 2011 report was regarding the use of over \$3 million in stimulus funds for operating expenses. Mr. Field is concerned about relying on this one time influx of revenue and expressed hope that a strategic planning committee can address the issue of viable long term funding.

He said the Committee discussed land disposition and staff reported going through a bid process for the sale of three surplus properties which resulted in one property getting no bids, one buyer withdrawing their bid, and buyer bidding and then backing out. No land was sold.

Mr. Field reported on the status of the recovery audit saying the RFP was issued and a response was received from Profit Search, Inc. of Framingham, MA who submitted a bid response asking for 45% of any funds recovered in their audit. A second qualified bidder on the State's master pricing list, Pinpoint Recovery proposed a 19.5% fee from funds recovered as a result of their audit services. The Committee recommends moving forward with the recovery audit utilizing Pinpoint Recovery.

Mr. Field said the committee heard a report on solar panels but suggested discussing this issue later in the meeting where it is noticed on the agenda and he moved on to the discussion regarding the unsolicited proposal received by Rite Solutions.

Mr. Field said that much time had been spent vetting the Rite Solutions proposal and he believes that we clarified that Rite Solutions is proposing that the \$7 million that we have to spend on the ATMS system, if properly spent, might cover assets owned by other departments of the State including RIDOT, the National Guard, school districts and others.

Mr. Field said that no conclusion was reached at the meeting and he suggested that the principals from Rite Solutions meet with Ed Scott and others on RIPTA staff for further discussion.

Mr. Deller remarked that the ultimate question is if we are going to spend this kind of money we need to determine if there are ways to maximize our expenditure to determine if there is a way to make our system beneficial to others. He said it's taken a while to get to this point and he believes that we should take enough time to 30 to 90 days if needed to determine if we can in fact provide a service to RIDOT, National Guard and others. He is concerned at Rite Solutions confidence in solving any problem and feels that the system must work first and best for transit before we determine if it would be beneficial to other state agencies.

Mr. Deller said that once Ed Scott and staff determine if the system is viable, we need to determine if the service would be valuable to other agencies.

Mr. Lewis said his main concern is identifying the need and then seeing if the product matches that need. Mr. Rupp said it does not hurt to explore our needs and the possibility of expanding the system.

Mr. Deller referenced the report entitled Advanced Transit

Management System (ATMS) handed out by Ed Scott. Mr. Scott commented that this iteration of the Board is relatively new and he realized some members may be hearing the details of the ATMS RFP for the first time. Mr. Scott discussed page 2 & 3 of his hand out which is a high level list of what the RFP required. He then went through each page, read each bullet commented on the bullet and answered questions.

Mr. Scott compared some of what Rite Solutions has offered versus what RIPTA requires and Mr. Deller commented that he is not so concerned about what Rite Solutions is offering, but rather understanding what RIPTA is trying to accomplish.

After explaining the requirements of the ATMS RFP Mr. Scott gave a historical timeline of the process. He discussed developing the RFP and evaluating the four vendors who responded ACS, Continental, Clever Devices and INIT and said the evaluation of the proposals is not yet complete. Mr. Scott answered questions about the individual vendors and their experience in the industry and financial well being, the expected life of the system (10 years) and future upgrades. Next Mr. Scott briefly described the proposed new ATMS system and how it differs from the paratransit system.

Following Mr. Scott's tutorial Mr. Rupp suggested that further discussion of the ATMS RFP be held in strategic planning committee. The other Board members agreed that this is a big decision for the

RIPTA and agreed that more time should be spent exploring the issues. Mr. Deller suggested asking the vendors for an extension on the bids.

The Board members discussed the issue further particularly whether to table the issue for further discussion in strategic planning committee. The General Manager noted that today's discussion was on the agenda for discussion only, however he noted that RIPTA had worked hard on the RFP and procured the services of a good ITS consultant to assist us. He added that he is meeting with Jerry Williams tomorrow to discuss this issue and said he feels the best place if any to test the Rite Solutions pilot program would be in paratransit.

Following this discussion the Board agreed to discuss this issue further at a strategic planning committee meeting. Mr. Field completed his Finance Committee report and the Board took a short break.

Agenda Item 5: FY 2010/2011 Operating Budget

Following the break Ms. Neira discussed the FY 2010 budget and said that in May after modifications to the FY 2010 budget the deficit was \$7 million. Since then RIPTA received an additional two pennies in gasoline tax totaling \$8.8 million, saw Rltecare revenue reduced by \$.9 million, reduced the annual pension required contribution based

on 2010 actuarial estimates, reduced fuel costs \$86,000 by locking in at the price of \$2.366 per gallon and carried over a \$1.1 million dollar deficit from FY 2009 and after factoring in these modifications she reported that the deficit is now at zero and the budget for FY 2010 is balanced.

Ms. Neira said that all of the union contracts expired on June 30, 2009 and this budget does not provide for changes relative to negotiations, nor does it factor in GASB 45.

Mr. Deller made a motion to approve the FY 2010 budget as presented. Ms. Lee seconded the motion which passed unanimously.

Next Ms. Neira discussed the FY 2011 preliminary budget which totals \$99, 416,106, up \$2.9 million over FY 2010. She discussed variances from the FY 201 budget such as the loss of the one-time \$1.1 million additional ADA funds RIPTA had received due to a technical correction to the federal register, the \$1 million increase in funding of retiree health (GASB #45), and other budget line items outlined in detail on page 2 of the staff summary.

She noted that fuel prices have gone up and it is too costly to lock-in a price for FY 2011. She said discussed four full time positions budgeted at \$191,000; two are utility positions, one stock room and one building & grounds. Ms. Neira said she has not factored in

anything for union negotiations and has assumed a “steady state” and a continuation of the gas tax at \$4.4 million.

Ms. Neira answered questions and then Mr. Kennedy made a motion that the FY 2011 budget be approved as presented and Mr. Durkee seconded the motion. The FY 2011 budget was unanimously approved.

Agenda Item 6: Management Committee and/or Strategic Planning Committee

Mr. Rupp commented that the committees would cover two distinct areas 1) strategic planning covering what should the business be, how do we integrate better with all of transit in RI, what are our long range needs and what should the strategic plan be for business with the State and internal strategic planning for RIPTA via the management committee focusing on management and succession planning. Mr. Rupp asked Mr. Deller for his thoughts on strategic planning.

Mr. Deller said he and the Chair talked about the strategic planning committee and he said it should define who RIPTA is and where it is going and what we hope to achieve. He looked at comparable metro areas around the country with good transit systems and said we need to understand what our transit system is, meaning not just the buses,

but train, streetcar, ferry etc and how to link these together. He said this is a small state with a large metropolitan area and we need to think about how we move people around and think strategically about how to grow rationally.

As for the management committee Mr. Deller said it's clear that we need to think about how we will grow and where to move our management so that we are working in a progressive manner. He said that considering the length of the Board meetings in recent months, we may have to go to two meetings a month temporarily.

Mr. Rupp noted the constraints of open meetings laws as they relate to the Board members meeting outside of the monthly meeting and thought the two separate committees would address this issue. He said that the committees, particularly strategic planning, would involve more than just board members and staff. He said we have good support in the community and who are voicing their opinion on transit in Rhode Island and need to ask these people to assist us by serving on a committee.

Following a brief discussion Mr. Rupp asked for authority from the Board to create the two committees. Mr. Deller noted that under the by-laws the board chair can create and populate the committees as he sees fit.

Mr. Lewis commented that management and strategic planning are

two different initiatives that require two different sets of skills and expertise. Mr. Field suggested that each committee have three board members and at least 3 members from the public sector and organizations such as NUPTA.

Mr. Deller questioned whether the management committee should have outside members. Mr. Lewis commented that ultimately the Board is responsible and advised caution although he feels the committee should seek outside input. The Board then discussed the makeup of the two committees and discussed including participants from RIDOT, Statewide Planning and others. Mr. Field suggested that after meeting on various issues the committees should then report back to the board with a synopsis of their findings, much like Finance Committee.

Mr. Deller said that the committee meetings need to adhere to public meetings law and be noticed in the same way board meetings are. He then referenced the pyramid chart in the board package prepared by Mark Therrien and Amy Pettine and said that a 25-year strategic plan is too long, and 10 – 15 years is a more standard timeframe.

Mr. Lewis commented that the committees need to survive changes in Board membership and the evolution of the RIPTA staff. Ms. Pettine then discussed the pyramid chart and the state's long term transportation plan saying RIPTA needs closer coordination with the state's transportation decision makers and their vision. Mr. Williams

agreed saying vision is the key as is identifying our customer base, available products and services and evaluating emerging technology and agreed that 25 years is too long.

Mr. Therrien stressed that RIDOT needs to be involved and said he will reach out to other transit systems and determine the members of their strategic planning committees. Mr. Lewis said that the long range strategic plan should be reviewed and evaluated annually.

Following this discussion Bill Kennedy made a motion that the Board approves the formation of a management committee and a strategic planning committee. Jerry Williams seconded the motion and it passed unanimously.

Following the vote Mr. Rupp suggested that it may be necessary that the Board begin meeting twice monthly. The Board members discussed this suggestion and many favored the idea. The Board decided to consider this suggestion and put on the agenda for further discussion and vote at the October meeting.

Agenda Item 7: Use of Solar Panels at RIPTA Facilities

Mr. Therrien addressed the use of solar panels and noted that during Finance Committee he said the recent resignation of Tim McCormick has left the planning department short staffed and he had asked for more time to gather information on this topic. Today however he

received a call from someone regarding the financing of solar and said we should act on the opportunity.

He said originally he had spoken to the Governor's office of energy who discouraged RIPTA from installing solar, however they reversed this opinion and said if RIPTA can submit a proposal with multiple funding sources they feel RIPTA would be an attractive candidate. Mr. Therrien spoke with various agencies and said that between ARRA funds, renewable funds and possibly some RIPTA capital funds we could do something with solar funds on our buildings. He said we need to develop the scope of work and reach out to the two major solar firms in the state to get an idea of costing then nail down the funding.

Mr. Therrien answered questions regarding funding sources and applications for solar. Mr. Field discussed a company he is familiar with who provide LED fixture design and application. He has asked this company to contact Mike McGrane to give him information on LED lighting for our buildings with solar panels used to charge the batteries.

Mr. Moscola advised caution because we have natural gas vehicles in the facilities and lighting is a delicate issue. He added that at Finance Committee he discussed his personal dealings with a master electrician named Gene Plunkett who has extensive experience with solar panels and windmill technology. Mr. Field suggested he contact

Mr. Plunkett which he did and learned that Mr. Plunkett is working with a company called Alterus who have been in the business 30 years. He gave further details regarding Alterus and said he plans to meet with Alterus and he invited Mr. Field to join him.

Mr. Durkee said he's worked with Alteris which is a good company and if needed, he can provide names of other companies working in this field.

Agenda Item 8: Recovery Audit

Mr. Mencarini addressed the Board and discussed the next agenda item for accounts payable recovery audit services. Mr. Mencarini expounded on Mr. Field's earlier comments during the Finance Committee report and said that staff recommends the award to Pinpoint Recovery Services of Stamford, CT to provide accounts payable recovery audit services for RIPTA for fiscal years ending June 30, 2008 and June 30, 2009. The fee charged is 19.5% of the gross dollars recovered contingent upon approval of the Auditor General.

After a brief discussion Mr. Deller moved to award the contract to Pinpoint Recovery Services as recommended by staff. Mr. Field seconded the motion and it passed unanimously.

Agenda Item 9: Employee Pension Plan Amendments

Ms. Neira and Andrew Prescott addressed the agenda item on employee pension plan amendments with Ms. Neira saying she was unsure how to proceed as this was to have been discussed during the Joint Pension Board meeting which was scheduled to take place before the Board meeting, but was postponed. The Board asked that this item proceed.

Mr. Prescott explained that during the last two labor negotiations and during various arbitration proceedings amendments to the employee pension plan have been obtained and have been applied with Board approval since they became effective. He said the final step in the process is to amend the pension plan document to reflect the changes

After a brief discussion Mr. Kennedy moved to amend the pension plan document as recommended by staff. Mr. Field seconded the motion and it passed unanimously.

Agenda Item 10: RFP 09-24 Human Services Transportation Study

Mark Therrien discussed the Human Services Transportation Study saying a more detailed presentation would be made at the October meeting.

He reported that Medicaid is going through changes due to the new

law and RIPTA is the mobility manager and as such needs to hire a consultant to help us develop a detailed analysis of transportation spending by all Rhode Island human services agencies. The purpose of the study is to identify where expenditures are being made, analyze which programs are funding them, identify the holes in the system and set best practices going forward and review RIde's capabilities to adapt to proposed changes.

He said the study will be funded by New Freedoms and will also receive local match funding from In Kind services, RIde revolving funds and DHS funds. No RIPTA funds will be used. He said the best way to spend the money is to help other agencies.

Mr. Deller asked if the consultant would deliver a report identifying a cohesive way to deliver services and he said they would. Mr. Deller asked who would supervise the consultants and he replied Anne Leclerc. Mr. Deller remarked that it's important that we monitor the consultant. Mr. Lewis asked the timeline and Mr. Therrien responded six months.

Mr. Field asked if the bidders for the consulting services had come back with better parameters and Mr. Therrien said he and the procurement department are working to refine the parameters and he will bring this back to the Board in October for further discussion.

Agenda Item 11: RFP 10-04 Defense Counsel Auto Liability

Mr. Mencarini addressed the Board and discussed the defense counsel auto liability agenda item and said staff requests award of a contract to Higgins, Cavanagh & Cooney, LLP and Revens, Revens and St. Pierre to provide defense counsel general auto liability services.

Mr. Mencarini said that an RFP was issued and of the three respondents these two were judged to be the most qualified. After a brief discussion Mr. Deller moved to award the contracts as recommended by staff and Mr. Kennedy seconded the motion. The motion to award the contract to Higgins, Cavanagh & Cooney, LLP and Revens, Revens and St. Pierre passed unanimously.

Agenda Item 12: RFP 10-01 Kennedy Plaza Paving Project

Mr. Mencarini addressed the Board and discussed the Kennedy Plaza Paving agenda item saying staff recommends the award of a contract to J.H. Lynch & Sons, Inc. to provide improvements in and around the Kennedy Plaza area. The cost of the contract is \$1,014,105 and also includes an additional award of a 10% contingency

After a brief discussion Mr. Lewis moved to award the contract to J.H. Lynch & Sons, Inc., as recommended by staff. Mr. Deller seconded the motion and it passed unanimously.

Agenda Item 13: Paratransit Workers Compensation Insurance

Roger Mencarini discussed the final procurement for Paratransit Workers Compensation Insurance saying staff requests the award of a contract for the provision of Workers' Compensation Insurance coverage for the Para transit division to Beacon Mutual Insurance Company at an annual cost of \$359,212. Mr. Mencarini said that this is a recurring request and RIPTA's insurance broker Starkweather and Shepley was unable to find any other bidder outside of Beacon Mutual to respond due to certain factors described in the staff summary.

Mr. Lewis moved to award the contract to Beacon Mutual Insurance Company as recommended by staff. Mr. Deller seconded the motion and it passed unanimously.

Following the vote Mr. Field asked about Starkweather and Shepley's commission and Mike McGrane responded that they we pay them \$35,000 annually for their services. Mr. Field asked if we could provide self insurance for paratransit workers compensation and Mr. McGrane responded that the paratransit provider contract mandates that insurance coverage be provided.

The Board held a brief discussion with Mr. McGrane answering further questions. After this discussion the Board asked that Gary Primevera from Starkweather and Shepley attend the next Board meeting to answer further questions.

Agenda Item 14: ARRA Program Update

Mark Therrien and Lilly Picchione addressed the Board to discuss the updated ARRA project list in the Board package. She said the list now reflects phasing, the new TIGGER grant and the cost of the Kennedy Plaza project.

Ms. Picchione said the Phase II grant is in process and monthly reports are being made to the House Transportation Infrastructure Committee, RIDOT and also now two dry runs for the Obama administration reporting. She said the first live run will be due in October and this may generate some publicity.

She said the Kennedy Plaza project and other Phase II projects will be mainly local construction projects and may generate publicity for this reason. Mr. Moscola added that large signs will be put in front of the projects announcing that the projects and jobs are made possible by ARRA program funds.

Agenda Item 15: Public Comment

Chairman Rupp recognized former RIPTA Board member Robert Batting. Mr. Batting commented on the smaller size of the ferry and said it is more than adequate to get through the hurricane barrier and that the problem with this vessel is the artisan outdrive which he

doubts is appropriate for a ferry application. He suggested this may be the reason for the mechanical issues the ferry has experienced.

Mr. Batting said the Providence Journal reported that Patrick Connolly has put his facility on Allens Avenue up for sale and he suggested that the dock at this site which belongs to the State should be moved back to the original ferry site inside the hurricane barrier. He remarked that many downtown merchants were dismayed when the ferry was moved to Allens Avenue and they would be happy to see it returned to the original location and he feels this is an appropriate time to move the dock and infrastructure back inside the hurricane barrier.

Next he referenced comments made about hybrid buses during public comment at the August board meeting. He asked specifically if there were comparisons made on the hybrid buses to find out what kind of maintenance was required and if there were any quality problems in other jurisdictions. He expected that at today's meeting a response to last month's questions would be addressed and he did not hear it discussed today. He said the cost differential is almost 56% more expensive to maintain a similar bus. He said the high cost is due to the variety of vehicle designs which ups the costs of parts and training and the remedy to this is standardization. He estimates that this will add \$193,000 to the cost of each vehicle. He asked Mr. Moscola what jurisdictions he surveyed regarding maintenance of hybrids.

Mr. Moscola replied that he had given a full presentation to the Board at an earlier meeting and made brief remarks regarding it but said he did not have those documents in front of him and therefore asked Roger Mencarini to respond to Mr. Batting's questions regarding costs and maintenance after today's meeting. Mr. Deller agreed and suggested that Mr. Moscola have staff send Mr. Batting a copy of the presentation he made to the Board. Mr. Batting said he would appreciate receiving the reports and also contact names at the properties staff contacted.

Mr. Kennedy asked Mr. Kinch to look into the possibility of moving the ferry back to its original location. Mr. Kinch said that location was problematic due to parking and other issues. Mr. Rupp said the downtown merchants supported this idea.

Next Chairman Rupp recognized Bill Legere from Northwest Transportation and Valley Cab. Mr. Legere said that at the last Board meeting the purchase of two handicapped accessible taxicabs was approved and said that New Freedoms allows for the purchase of more taxis. He referenced Representative Coderre's mandate that by June every taxi cab company have at least one handicapped accessible taxi and said the purchase of additional vehicles under New Freedoms should have been on today's agenda and he asked why it was not. He stressed the federal funds are available and stressed that they should be spent.

Next as the owner of Northwest Transportation and a paratransit provider he stressed that they have been without a contract since May 2008. He said the new Ride RFP was also supposed to be on today's agenda and wondered why it was not. He said they have not had a rate increase for 6.5 years and soon he will have drivers walking off the job.

Finally he referenced the Human Services Transportation Study discussed earlier in the meeting and said last year he contracted with GATRA and MART in Massachusetts to do medical transportation and has over a hundred vehicles operating there as do other companies. He said Massachusetts put out to bid a statewide contract for all aspects of human services transportation. He said he brought this up for informational purposes and suggested RIPTA look at the MA program.

Mr. Field wondered why the issues raised by Mr. Legere weren't on the agenda. Mr. Moscola said he and staff were not prepared to discuss these issues today but understand Mr. Legere's concerns. Mr. Deller said he did not recall a specific time for these items to go on the agenda, but there will certainly be further future discussion. He added that due to open meeting laws the Board can hear public comment but if topics are not noticed on the agenda they are not allowed to respond and discuss.

Retired employee Bill McGee was recognized and he expressed opposition to the purchase of taxis saying the Ride program should be expanded instead.

Mr. Batting asked a final question regarding RIPTA employees receiving a medical plan opt out payment and if so, how much. Mr. Deller instructed Ms. Neria to respond to Mr. Batting's inquiry after the meeting.

Mr. McGee made additional comments on the costs of hybrid buses vs. clean diesel and said he heard that New York transit has experienced problems and remarked about standardization of parts and maintenance.

There being no further comments Mr. Rupp called for a brief recess.

Agenda Item 16: Executive Session

Mr. Deller made a motion to convene an executive session as noticed on the agenda under 42-46-5(a)(1) and 42-46-5(a)(2) to discuss the General Manager contract and collective bargaining. Mr. Field seconded the motion to convene an executive session. A roll call vote was taken on the motion to convene to executive session. All members voted unanimously to convene an executive session.

Following the Board's return to open session Mr. Williams made a

motion to seal the minutes of the Executive Session, and Mr. Lewis seconded the motion, which passed unanimously.

Agenda Item 17: Adjournment

A motion to adjourn was made by Mr. Williams. Mr. Kennedy seconded the motion and it passed unanimously.

Respectfully submitted,

Ellen M. Mandly

Recording Secretary